



Department of Justice

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FORMER GADSDEN, ALABAMA PUBLIC OFFICIAL PLEADS GUILTY TO PARTICIPATING IN BRIBERY AND WIRE FRAUD CONSPIRACY

WASHINGTON – The former director of the Gadsden Commercial Development Authority pleaded guilty to participating in a bribery and wire fraud conspiracy that operated from August 2005 through February 2006, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Cathy Back, 53, entered a guilty plea this afternoon in U.S. District Court in Birmingham, Ala., before the Honorable L. Scott Coogler. She was charged with one count of conspiring to commit federal programs bribery and honest services wire fraud. The charge relates to a bribery scheme in which Back worked with Larry R. Thompson, a private political consultant, to make cash payments to influence and reward members of the Gadsden City Council for their votes in connection with a real estate development. Thompson, along with City Council Members Jimmy L. Armstrong and Fred L. Huff, have already pleaded guilty to a similar charge. The charges arise from Operation Costly Influence, a covert investigation conducted by the FBI.

As part of her plea agreement, Back admitted that she conspired with Thompson to offer cash payments to four Members of the Gadsden City Council with the intent of influencing and rewarding them in connection with their votes that aided a mixed-use real estate development along the banks of the Coosa River in Gadsden. Back agreed to assist Thompson in advancing the interest of the real estate development through corrupt means, and that the conspirators tried to disguise the nature of the cash payments by calling them “campaign contributions.” Back also admitted that she allowed a witness, who was cooperating with the FBI, to leave cash intended for Thompson in her office.

The conspiracy charge carries a maximum penalty of five years in prison and a \$250,000 fine. Back has agreed to cooperate in this ongoing investigation.

These cases are being investigated by the FBI. They are being prosecuted by Trial Attorney John P. Pearson and Senior Trial Attorney John W. Scott of the Public Integrity Section of the Criminal Division, headed by Acting Section Chief Edward C. Nucci.

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